

## Message Text

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TO AMEMBASSY LONDON

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FOLLOWING REPEAT BONN 2420 ACTION SECSTATE INFO  
THE HAGUE DTD 12 FEB

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DEPT PLEASE PASS NASA, FCC, OTP, COAST GUARD, MARAD

E. O. 11652: N/A

TAGS: ETEL, TSPA, NL

SUBJECT: MARITIME COMMUNICATIONS SATELLITES

1. US TEAM MET WITH GON DELEGATION HEADED BY J.J. SCHULD, DEPUTY DIRECTOR OF SHIPPING, AND REPRESENTATIVES OF SEVERAL GON ORGANIZATIONS INCLUDING MFA. GON OPENING STATEMENT NOTED THAT IT HAD RECEIVED INFORMATION FROM SOME COUNTRIES PREVIOUSLY VISITED BY US TEAM. LATTER STATEMENT CAME AS NO SURPRISE. GON ALSO PASSED US COPIES OF ITS RECENTLY COMPLETED COMMENTS FOR SUBMISSION IMCO ON POE DRAFT CONVENTION BUT THESE WERE NOT DISCUSSED DURING MEETING.

2. US TEAM RESPONDED WITH INTRODUCTORY STATEMENT,  
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DESCRIPTION OF US DESIGNATED ENTITY RESPONSIBILITIES,  
AND OUTLINE OF TWO AGREEMENT PROPOSAL, EMPHASIZING

THAT USG COULD OFFER NO FINANCIAL GUARANTEE. GON REPLIED THAT ARTICLE 6 OF POE DRAFT WORKED OUT IN EARLIER PARIS POE MEETING HAD INCLUDED COOPERATIVE EFFORT OF BOTH US AND USSR AND ASKED WHETHER US REQUIREMENTS COULD NOT BE SATISFIED THROUGH MODIFICATION OF ARTICLE 6. US REMINDED DUTCH THAT IT HAD MADE CLEAR IN PARIS MEETING US RESERVATIONS REGARDING ARTICLE'S PHRASING. US HAD CAREFULLY CONSIDERED IN RECENT MONTHS' DELIBERATIONS WHETHER ARTICLE 6 ALTERATION COULD SATISFY US REQUIREMENTS BUT HAD CONCLUDED THAT IT WAS NOT POSSIBLE. ARTICLE 6 WAS NOT SOLE US INTEREST. IT CAST SHADOWS ON OTHER AREAS OF CONVENTION WHERE WE HAD CONCERNS. US HAD CONCLUDED THAT TWO-AGREEMENT SOLUTION WAS REQUIRED MECHANISM FOR MEETING US NEEDS.

3. GON MADE QUITE CLEAR THAT IT DESIRES GLOBAL ORGANIZATION AND WANTS US TO PARTICIPATE IN INMARSAT, BUT IT ALSO WANTED USSR PARTICIPATION. ITS CONCERN FOR USSR AND POSSIBLE OPPOSITION TO US POSITION WAS EVIDENT. US TEAM GAVE BRIEF SUMMARY OF USSR VIEWS REFLECTED IN MOSCOW TALKS. IT WAS OBVIOUS THAT USSR POSITION IS OF INTEREST TO GON FOR THEY RETURNED TO THAT SUBJECT SEVERAL TIMES. THEY ALSO ASKED IF US WOULD BE AGREEABLE TO BRIEFING GON ON SIGNIFICANT DEVELOPMENTS EMERGING FROM UPCOMING SECOND ROUND OF TALKS WITH RUSSIANS. US TEAM PROMISED THAT APPROPRIATE SUMMARY WOULD BE GIVEN.

4. US TEAM SUMMARIZED US COMMUNICATIONS CARRIERS' GENERAL INTEREST IN INMARSAT, AND DESCRIPTION OF EXPECTED CLOSE COORDINATION BETWEEN USG AND DESIGNATED ENTITY. GON STATED THAT IT HAD NO REAL CONCERN REGARDING US DESIGNATED ENTITY ASSUMING FINANCIAL RESPONSIBILITY. ALTHOUGH THEY HAD NO TIME TO STUDY OUTLINE OF TWO AGREEMENTS THEY WERE WORRIED THAT SUBMISSION AT LATE DATE WOULD RESULT IN EXTENDED DELAY OF INMARSAT'S FORMATION. SEVERAL POE MEETINGS HAD ENGAGED IN STRENUOUS EFFORTS, AND LIMITED OFFICIAL USE  
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GON FEARED THAT US SUGGESTED ALTERNATIVE COULD RESULT IN CONFERENCE NOT ACCOMPLISHING ANYTHING.

5. US RESPONDED THAT IN MEETINGS WITH OTHER GOVERNMENTS THERE HAD BEEN DISCUSSION REGARDING REALISTIC RESULTS TO BE EXPECTED FROM LONDON CONFERENCE. IN US VIEW THERE WERE MANY QUESTIONS TO BE RESOLVED REGARDING INMARSAT - ECONOMIC, TECHNICAL, INSTITUTIONAL MATTERS, AS WELL AS INTERIM ARRANGEMENTS. THEREFORE REALISTIC EXPECTATION FOR LONDON CONFERENCE IS AGREEMENT ON INMARSAT

ESTABLISHMENT, AND AGREEMENT ON CONFERENCE SETTING UP WORKING GROUPS TO DEAL WITH VARIETY OF MATTERS, ALL IN PREPARATION FOR SECOND CONFERENCE IN 12-18 MONTHS. MFA REPRESENTATIVE MADE PUZZLING STATEMENT THAT IF ALL OTHER ISSUES CAN BE RESOLVED THEN TWO AND ONE-HALF WEEKS IN LONDON WOULD BE ADEQUATE FOR DECISION ON INSTITUTIONAL ARRANGEMENTS.

6. GON RAISED PROCUREMENT ISSUE SAYING THAT UNDER ALTERNATIVE B IT POSSIBLE FOR USSR TO SUBMIT LOWEST BID WHICH COULD POSE PROBLEM FOR COUNCIL. US POINTED OUT POSSIBLE DIFFICULTY FOR USSR AS SUCCESSFUL BIDDER IN PERMITTING CLOSE LIAISON AND INSPECTION BY INMARSAT REPRESENTATIVES AT MANUFACTURING FACILITIES, AS IS NECESSARY AND REQUIRED IN INTELSAT EXPERIENCE. GON REPEATED PREFERENCE FOR ALTERNATIVE A WHICH GAVE COUNCIL FLEXIBILITY, AND ALSO STRESSED FACT THAT ALTERNATIVE A WAS PHRASED WITH EUROPEANS' EYE ON THEIR INTEREST AND COMPETENCE IN SPACE TECHNOLOGY. US STRESSED THAT INMARSAT PRIMARY INTEREST MUST LIE IN OBTAINING SPACE SEGMENT AT LOWEST POSSIBLE COST.

7. GON POSITION ON ACCESS WAS NON-DISCRIMINATORY BASIS, AND ALSO THAT IT PREFERRED SAME CHARGES FOR MEMBERS AND NON-MEMBERS, BUT SUGGESTED THAT LATE INVESTORS MIGHT BE CHARGED ADDITIONAL FEE ON JOINING INMARSAT. THERE WAS SOME INCONCLUSIVE DISCUSSION REGARDING INITIAL INVESTMENT COMPUTATION WITH DUTCH INDICATING THEY HAD NOT YET DECIDED FIRM POSITION. THEY VOICED RESERVATIONS ABOUT LIMITED OFFICIAL USE  
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ECONOMIC STUDIES TO DATE BUT DOUBTED THAT MUCH ADDITIONAL WORK OF VALUE IS POSSIBLE BEFORE LONDON. WHILE VOICING SOME APPREHENSION OVER MARISAT LEAD ON NONETHELESS EXPRESSED PLEASURE OVER RECENT MARISAT/MAROTS COOPERATION, BUT ALSO INDICATED SOME CONCERN THAT MARISAT SHIP TERMINAL PARAMETERS MIGHT RESTRICT INMARSAT FINAL DECISION. THIS IS A WORRY EXPRESSED BY AT LEAST ONE OTHER COUNTRY ON TRIP.

8. GON SHARED US VIEW THAT INMARSAT ORGANIZATION SHOULD PROVIDE MECHANISM FOR REGULAR INPUT OF SHIP OPERATOR REQUIREMENTS, AND THAT INSTITUTIONAL ARRANGEMENT SHOULD PERMIT INPUT ONLY ON ADVISORY BASIS. THERE WAS ALSO GENERAL DISCUSSION ON NAVIGATIONAL CAPABILITY BUT WITH BOTH SIDES AGREEING THAT ADVANCED CAPABILITY WOULD NOT COME IN SYSTEM'S FIRST STAGE AND WITH ON MAKING POINT THAT ADVANCED NAVIGATION CAPACITY RAISED SERIOUS QUESTION OF COST. THEY ALSO NOTED THAT

CURRENT EFFECTIVE RESULTS OF OMEGA USE CASTS DOUBT ON  
NEED FOR SATELLITE NAVIGATION. FINALLY ON SIZE OF  
SHIPS THAT WILL MAKE USE OF SYSTEM DUTCH DOUBTED THAT  
SMALL VESSELS WILL PARTICIPATE INITIALLY BECAUSE OF  
COST, BUT THAT IN LONG RUN IT WAS CERTAINLY IN  
INMARSAT INTEREST THAT SYSTEM HAVE LARGEST NUMBER OF  
USERS POSSIBLE.

9. IN SUMMARY GON MADE CLEAR THAT IT WANTS TO  
ACCOMODATE US INTEREST IF POSSIBLE BUT IS CONCERNED  
ABOUT POSSIBLE DELAY IN INMARSAT ESTABLISHMENT IF US  
PURSUES ITS PRESENT POSITION ON INSTITUTIONAL  
ARRANGEMENT. WE BELIEVE THEY WILL BE HELPFUL TO US  
AT LONDON WHEN THEY FIND IT POSSIBLE.  
HILLENBRAND UNQTE KISSINGER

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